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INFO RUCNASE/ASEAN MEMBER COLLECTIVE PRIORITY
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C O N F I D E N T I A L SECTION 01 OF 03 KUALA LUMPUR 000231

SIPDIS

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TAGS: [PGOV](#) [PINR](#) [PINS](#) [KDEM](#) [MY](#)

SUBJECT: RULING PARTY CONFIRMS NAJIB, ELECTS NEW LEADERS

REF: A. KL 229 - NAJIB CLOSING DEMOCRATIC SPACE?

[1](#)B. KL 199 - GOM PROSECUTES OPPOSITION LEADER

[1](#)C. KL 194 - NAJIB TAKEOVER LOOMING

[1](#)D. KL 078 - NAJIB LEADS TAKEOVER OF PERAK

Classified By: Political Counselor Mark D. Clark for reasons 1.4 (b and d).

Summary and Comment

[1](#)1. (C) Malaysia's Najib era has begun. The country's ruling party, the United Malays National Organization (UMNO), confirmed Najib Razak as party president on March 26 and elected new senior officials during its party elections and general assembly, which conclude March 28. Key Najib ally Muhyiddin Yassin won the deputy president (and presumptive Deputy Prime Minister) post and Najib's close associates took all three vice president positions. Outgoing Prime Minister Abdullah, who stepped down as UMNO president, received some consolation with the surprise victory of his son-in-law Khairy as UMNO Youth chief. Home Minister Syed Hamid and Foreign Minister Rais Yatim were among the losers. Both Najib and outgoing UMNO president Abdullah focused their speeches on the need for UMNO to reform, but reaction among UMNO delegates at the convention appeared mixed and delegates' speeches fell into old patterns. The 25 members elected to the UMNO supreme council represent a mixture of political reputations, with no apparent trend toward reform.

[1](#)2. (C) Comment: The 2009 UMNO elections represent a triumph for Najib. The well-controlled party convention proceeded smoothly for Najib's interests and did not challenge his suitability to lead, shutting out some public concerns reflected in public approval ratings that have fallen below those of Abdullah in the most recent poll. Najib should feel comfortable and confident with the election of his key allies and supporters to senior UMNO positions; no sizeable party faction potentially at odds with Najib is identifiable in the senior leadership at this point. The election results will give him a basis for a major cabinet reshuffle in which Najib will have the option of giving important portfolios to his loyalists. The failure of Foreign Minister Rais Yatim to win party election also gives Najib a clear opportunity to replace Rais, who has proved a difficult partner for U.S. interests. While a Najib-dominated UMNO has emerged, this is by no means synonymous with an UMNO committed to fundamental party or governance reform. Najib and his party's commitment to reforms will need to be tested in the months ahead beginning with the Cabinet formation. The three April 7 by-elections will be seen as an immediate, albeit highly

imperfect, gauge of Najib's popularity as Malaysia's new leader. End Summary and Comment.

Embassy and Foreign Delegations Observe UMNO Convention

13. (SBU) UMNO postponed the convention from December 2008 to March 24-28 as part of the deal to transfer power from Abdullah to Deputy Prime Minister Najib Razak, who won the UMNO Presidency uncontested. Embassy witnessed various UMNO convention sessions, including Polcouns attendance at the March 26 opening ceremony and final party address by outgoing UMNO President and Prime Minister Abdullah Badawi. UMNO invited political party representatives from 20 countries to observe the party's convention. Notable attendees included political party delegations from Cuba, North Korea, Syria, and one Palestine representative who, as in past years, drew thunderous applause when introduced. Conspicuously absent from Abdullah's address was former Prime Minister Mahathir, whose son Mukhriz failed to win the UMNO Youth Chief election the preceding day. Najib will make is first speech as UMNO President March 28, the final day of the general assembly.

Abdullah's Reform Message

14. (C) Abdullah delivered a lengthy farewell address on March 26, reviewing his history in the party and then focusing on the party's need to reform or face defeat in the next national election. Reading from a text and struggling to maintain his energy level, Abdullah said party leaders

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were "intoxicated" with power, projects, titles, and awards, comments that produced groans from the gathered delegates. He cautioned that the party is at a crossroads and must decide whether to change or become "a footnote in history." It would be a grave mistake if the party embraced the notion it could regain its past glory if "we revert to the old ways by restricting the freedom of our citizens and silencing their criticisms" (a clear reference to Mahathir's style of administration), adding that it will hasten the party's demise. Abdullah urged party members to provide loyal support for the leadership; defend Malay interests while avoiding racism or religious extremism; and protect the Constitutional rights of all Malaysians. He also backed term limits and using popular party member voting to elect leaders in order to eradicate corruption and money politics. Toward the end of his address, Abdullah thanked one of his fiercest critics, former PM Mahathir, who paved the way for Abdullah to become PM, and mention of Mahathir's name drew significant applause from the delegates. Finally, Abdullah pledged his undivided support and urged party members to do the same for Najib, whom he proclaimed as "the new President of UMNO and the new Prime Minister of Malaysia." Applause for the outgoing president remained only modest. (Comment: Abdullah's unenergetic delivery and the lack of response from the delegates appeared to undermine Abdullah's points on UMNO's future. As the speech approached the one-hour mark, we heard a few delegates shout, "stop." End Comment.)

UMNO Top Slots: (Almost) All the President's Men

15. (C) Following Abdullah's parting address, the convention confirmed Najib as the only candidate for president and declared him the new UMNO leader. Then the delegates got down to the essential business of voting in a new line-up of senior officials and results were announced the evening of March 26. Voting proceeded by secret ballot. Key Najib partner Muhyiddin Yassin (current Trade/Industry Minister), the most prominent UMNO voice for Abdullah to step down, won the deputy president post which by tradition will make him the next Deputy Prime Minister. Close political associates of Najib took all three vice president positions: Ahmad Zahid Hamidi, Najib's former political secretary and current

de facto religious affairs Minister; Education Minister Hishammuddin Hussein, Najib's cousin and outgoing UMNO Youth Chief; and Culture Minister Shafie Apdal, who was Najib's former deputy at the Defense Ministry. Najib supporters and allies appear well represented in the 25 elected seats of the Supreme Council, which saw only 13 incumbents returned. Some notable UMNO leaders who lost out include Foreign Minister Rais Yatim and Home Minister Syed Hamid Albar (both of whom have proven problematic for U.S. interests); reform-minded Domestic Trade and Consumer Affairs Minister Shahrir Samad, who has since announced his resignation from the cabinet; and Tourism Minister Azalina Othman, who is under investigation by the Malaysian Anticorruption Commission. Among the 12 new council members are three Members of Parliament who are infamous for their crude attacks on opposition MPs. (Note: The UMNO Constitution provides for UMNO President Najib to appoint another 15 members to the Supreme Council including the Secretary General, Information Chief, and Treasurer of the party; Najib has not yet announced these appointments. End Note.)

Many Delegates Fall Back on Old Rhetoric

¶6. (C) Najib, like Abdullah, focused remarks before and during the convention on the need to reform the party and the government. Prior to the full party convention, Najib, in his opening speech at the Women, Youth, and Puteri (Young Women) assembly, warned that UMNO has no option but to change in order to remain relevant. Many speeches by delegates from the three wings, however, fell into old patterns. Notable speakers, including outgoing Youth chief Hishammuddin (now vice president) continued along the well worn path of demonizing the opposition and describing Malays who do not support UMNO as "traitors" to their race. Some delegates went as far as to suggest in their remarks that UMNO assume a more authoritarian posture, for example by only hiring civil servants who are UMNO party members or by making access to government services and assistance programs contingent on

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political affiliation.

UMNO Party Wings' Leaders

¶7. (C) After the results were announced, the three new leaders, Khairy Jamaluddin (UMNO Youth), Shahrizat Jalil (UMNO Women), and Rosnah Abdul Rashid (UMNO Puteri) pledged to carry out Najib's call to revamp UMNO. The victory by Khairy, PM Abdullah's son-in-law, over former Prime Minister Mahathir's son, Mukhriz, and Khir Toyo, former Chief Minister of Selangor, came as a surprise to many observers, as he was perceived as trailing the other candidates prior to the UMNO assembly. Embassy PolAsst observed Khairy as he skillfully worked the delegates and interacted with the crowd. Both groups responded well to his personableness, while in contrast, Mukhriz sat sullenly on the stage without speaking to anyone and Khir Toyo was absent altogether. Khairy may gain a Cabinet post by virtue of his Youth chief position. Similarly, Shahrizat's election as head of the Women's Wing indicates her likely return to the cabinet after Najib becomes Prime Minister.

What's Next

¶8. (SBU) Najib will deliver his maiden address as UMNO president on March 28 at the close of the general assembly. According to press reports, Abdullah may use the March 28 closing to confirm the dates for his resignation as Prime Minister. Widespread press reporting and Embassy contacts have noted April 3 as the date for Abdullah and Najib to present themselves before the King. At that point, Abdullah would tender his resignation and Najib, as UMNO president and leader of the National Front (BN) coalition that holds the

majority in Parliament, would request that the King appoint him as the new Prime Minister. Najib may be sworn in as early as April 3, though some reports indicate a swearing-in ceremony on April 4. While Abdullah's Cabinet does not automatically expire with his resignation, Najib has made it clear he intends to institute major changes in the Cabinet line-up, which will incorporate results from the UMNO elections. Activities surrounding the April 7 by-elections will likely push back Najib's cabinet formation until mid-April.

KEITH